

SECRET [REDACTED]

**THE DIRECTOR OF
CENTRAL INTELLIGENCE**

Deputy Director for National Foreign Assessment

23 January 1981

NOTE FOR: [REDACTED]

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There is recent open source reporting (see attached) that Saudi Arabia is to provide substantial funds to Pakistan in support of its nuclear weapons development efforts.

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let me know, ASAP. Thanks.

Please

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cc: SA/NPI

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SOVIETS -- CONTINUED

for the United States, which had used the hostage issue to build up its forces in the Persian Gulf.

Two days ago, another report on Soviet television that also did not cite any sources said the United States had initiated military intervention in El Salvador, using troops from Guatemala and Honduras to crush a leftwing rebellion.

SALT ---- CONTINUED

In discussing Reagan's economic blueprint, calling for increasing defense spending but reducing other government outlays, the panel said that the poor are likely to bear the burden of this policy.

"The Reagan economic program of September 1980 envisions a 9.8 percent cut in nondefense programs in 1985, assuming a 4 percent average annual growth in the gross national product," the panel said.

"If this approach is adopted, the burden of financing increased defense outlays would fall on those citizens who receive government payments — mostly those in the lower-half income bracket," it said.

Discussing the nuclear weaponry the United States and Soviet Union have deployed, the report said, "It is clear that the United States can retain great confidence in its retaliatory capabilities against the Soviet Union throughout the 1980s. U.S. leaders have every reason to believe that their Soviet counterparts see this the same way."

Because the two superpowers have spent billions to aim vast arsenals against each other, "to the extent that the sky is going to fall, it has largely already fallen," it would take several years before either side could deploy a new strategic weapon that would alter the strategic balance radically.

Although Carter administration leaders have said they developed the new MX missile because the nation's current force of land ICBMs has become vulnerable to sophisticated Soviet warheads, the MX would not be ready for deployment until 1986. It is this kind of gap between existing and future weaponry that the panel portrayed as breathing space for a resumption of arms control negotiations.

Leslie H. Gelb, former director of the State Department's Bureau of Politico-Military Affairs and now a senior associate at Carnegie, chaired the panel. Other members included Lt. Gen. Andrew Goodpaster (ret.), former NATO commander Richard L. Garwin, an IBM fellow, and Richard H. Ullman, an international affairs professor at Princeton.

LASER TESTS -- CONTINUED

Mark said he doesn't expect the MX will be located in New Mexico because the proposed sites in Utah and Nevada are better locations from a military standpoint.

U.S. Sen. Harrison Schmitt, appearing with Mark at the news conference, said indications he has received from the incoming Reagan administration are also that the missile system won't be placed in New Mexico.

Schmitt said the feeling seems to be that placing the MX in New Mexico would increase the cost and would reduce the capability of the system.

Mark also repeated his opposition to Kirtland as the site of a space shuttle control center, preferring instead that it be located at Colorado Springs.

In addition, Mark said Kirtland should be designated a "strategic weapons center," which would probably lead to more sophisticated weapons projects being located there.

Mark and Schmitt reviewed the progress of the laser weapons program at Kirtland.

He is stepping down as Air Force secretary next week because his position is appointive, and he serves as at the pleasure of the president.

"Sen. Schmitt and I are here today to look at one of the milestones in the Airborne Laser Laboratory program," Mark told reporters.

The laser lab is an NKC-135 aircraft (a modified Boeing 707) which is a one-of-a-kind plane containing equipment to produce laser beams.

It is with that aircraft, stationed at Kirtland, that scientists will determine if lasers can be feasible weapons in shooting enemy planes and rockets out of the skies.

"We are now ready to go on to the next step — while the airplane is flying," Mark said, referring to testing the laser apparatus under flying conditions.

Mark said ground tests on the laser equipment were conducted Wednesday and Thursday at Kirtland.

Although one test had to be aborted, he said the overall project was successful.

Once in the air, the plane will test whether lasers can intercept air-to-air missiles.

The airborne tests will be conducted in various missile and artillery ranges in other parts of the United States, a spokesman for the Air Force Weapons Lab said.

The tests were supposed to have been conducted last September, but were postponed because of routine delays, Mark said.

WASHINGTON STAR

19 JANUARY 1981 Pg. 13

Saudis Reported Aiding in Bomb

LONDON (UPI) — Saudi Arabia soon will sign an \$800 million pact to help Pakistan make an atomic bomb, the Sunday Times reported yesterday.

Saudi Arabia made the offer at a secret meeting in Europe several weeks ago in a bid to prevent Pakistan from turning to Iraq or Libya for financing of its nuclear project, the newspaper said.

Libyan strongman Col. Muammar Kadafi had offered funds and uranium to his friend, former Pakistani Prime Minister Ali Bhutto, but after Bhutto's execution in 1979 Pakistan refused the aid because Kadafi wanted his own nuclear experts to have access to the technology, the Times said.

Pakistan then thought of turning to Iraq for funds but was warned by Saudi Arabia that Iraqi President Saddam Hussein wanted his country to have a nuclear device so he could exercise a dominant role in the Middle East.

Prince Turki al-Faisal, the Saudi deputy minister for defense and aviation, and Ahmed Yamani, Saudi minister for petroleum and mineral resources, held talks with Pakistani Foreign Minister Agha Shahi; the Pakistani nuclear research director, Abdul Qadir Khan, and the head of the Pakistan atomic energy commission, Munir Ahmed Khan, the newspaper said.

The Saudis then decided the Pakistani project was capable of developing a nuclear weapon if sufficient funds were available, and offered first \$250 million and then \$800 million, the report said.

NEW YORK TIMES Pg. 15
18 JANUARY 1981**Homosexual Sergeant Released**

TAMPA, Fla., Jan. 16 (UPI) — Staff Sgt. Harold Bryant, who says he is a homosexual, has been discharged from the Air Force after the refusal of a Federal appeals court in Washington to block the action. Sergeant Bryant's attorneys said they would seek his reinstatement.

The secretary estimated about \$1 billion has been spent on laser development by the government.

Mark said it's hard to tell when a plane will be produced for day-to-day laser defense.

However, he estimated that if peace continues around the world, it probably could be as much as 20 years or more.

But if a major war or conflict developed, he suspected one could be developed more quickly.